

AGP-2. ADMINISTRATION OF COST ACCOUNTING STANDARDS

For the purpose of administering Cost Accounting Standards (CAS) requirements under this Contract, the Contractor shall take the steps outlined in paragraphs (a) through (g) of this Article:

- (a) Submit to the cognizant Contracting Officer a description of any cost accounting practice change, the total potential impact of the change on contracts containing a CAS provision, and a general dollar magnitude of the change which identifies the potential shift of costs between CAS-covered contracts by contract type (i.e., firm-fixed-price, incentive cost-plus-fixed-fee, etc.) and other contractor business activity. As related to CAS-covered contracts, the analysis should identify the potential impact on funds of the various Agencies/Departments (i.e., Department of Energy, National Aeronautics and Space Administration, Army, Navy, Air Force, other Department of Defense, other Government), as follows:
 - (1) For any change in cost accounting practices required to comply with a new CAS in accordance with subparagraph (a)(3) and subdivision (a)(4)(A) of the "Cost Accounting Standards" Article of this Contract, within 60 days (or such other date as may be mutually agreed to) after award of a contract requiring this change.
 - (2) For any change in cost accounting practices proposed in accordance with subdivision (a)(4)(A) or (B) of the "Cost Accounting Standards" Article or with subparagraph (a)(3) of the "Disclosure and Consistency of Cost Accounting Practices" Article, not less than 60 days (or such other date as may be mutually agreed to) before the effective date of the proposed change.
 - (3) For any failure to comply with an applicable CAS or to follow a disclosed practice (as contemplated by subparagraph (a)(5) of the "Cost Accounting Standards" Article, or by (a)(4) of the "Disclosure and Consistency of Cost Accounting Practices" Article):
 - (A) Within 60 days (or such other date as may be mutually agreed to) after the date of agreement with the initial finding of noncompliance; or
 - (B) In the event of Contractor disagreement with the initial finding of noncompliance, within 60 days of the date the Contractor is notified by the Contracting Officer of the determination of noncompliance.
- (b) After an ACO determination of materiality, submit a cost impact proposal in the form and manner specified by the Contracting Officer within 60 days (or such other date as may be mutually agreed to) after the date of determination of the adequacy and compliance of a change submitted pursuant to paragraph (a) of this Article. The cost impact proposal shall be in sufficient detail to permit evaluation, determination, and negotiation of the cost impact upon each separate CAS-covered contract and subcontract.
 - (1) Cost impact proposals submitted for changes in cost accounting practices required to comply with a new CAS in accordance with subparagraph (a)(3) and subdivision (a)(4)(A) of the "Cost Accounting Standards" Article, shall identify each additional standard and all contracts and subcontracts containing the Article in this Contract entitled "Cost Accounting Standards," which have an award date before the effective date of that standard.
 - (2) Cost impact proposals submitted for any change in cost accounting practices proposed in accordance with subdivisions (a)(4)(B) or (C) of the "Cost Accounting Standards" Article, or with subparagraph (a)(3) of the "Disclosure and Consistency of Cost Accounting Practices" Article, shall identify all contracts and subcontracts containing the "Cost Accounting Standards" Article, and the "Disclosure and Consistency of Cost Accounting Practices" Article.
 - (3) Cost impact proposals submitted for failure to comply with an applicable CAS or to follow a disclosed practice as contemplated by subparagraph (a)(5) of the "Cost Accounting Standards" Article, or by subparagraph (a)(4) of the "Disclosures and Consistency of Cost Accounting Practices" Article, shall identify the cost impact on each separate CAS covered contract from the date of failure to comply until the non-compliance is corrected.
- (c) If the submissions required by paragraphs (a) and (b) of this Article are not submitted within the specified time, or any extension granted by the Government contract administration office, an amount not to exceed 10% of each subsequent amount determined payable related to the Contractor's CAS-covered prime contracts, up to the estimated general dollar magnitude of the cost impact, may be withheld until such time as the required submission has been provided in the form and manner specified by the Government contract administration office.

- (d) Agree with the Institute to appropriate amendments to contracts and subcontracts to reflect adjustments established in accordance with subparagraphs (a)(4) and (a)(5) of the "Cost Accounting Standards" Article or with subparagraphs (a)(3) or (a)(4) of the "Disclosure and Consistency of Cost Accounting Practices" Article.
- (e) For all subcontracts subject either to the "Cost Accounting Standards" Article or the "Disclosure and Consistency of Cost Accounting Practices" Article:
 - (1) So state in the body of the subcontract, in the letter of award, or in both (self-deleting clauses shall not be used); and
 - (2) Include the substance of this Article in all negotiated subcontracts. In addition, within 30 days after award of the subcontract, submit the following information to the Contractor's cognizant contract administration office for transmittal to the contract administrative office cognizant of the subcontractor's facility:
 - (A) Subcontractor's name and subcontract number.
 - (B) Dollar amount and date of award.
 - (C) Name of Contractor making the award.
 - (D) Any changes the subcontractor has made or proposes to make to cost accounting practices that affect prime contracts or subcontracts containing the "Cost Accounting Standards" Article or the "Disclosure and Consistency of Cost Accounting Practices" Article, unless these changes have already been reported. If award of the subcontract results in making one or more CAS effective for the first time, this fact shall also be reported.
- (f) In the event an adjustment is required to be made to any subcontract hereunder, notify the JPL negotiator and the subcontractor's Government contract administration office in writing of any adjustments required to subcontracts under this Contract and agree to an adjustment, based on them, to this Contractor's price or estimated cost and fee. This notice is due within 30 days after proposed subcontract adjustments are received and shall include a proposal for adjusting the higher tier subcontract or the prime contract appropriately.
- (g) For subcontracts containing the "Cost Accounting Standards" Article, require the subcontractor to comply with all Standards in effect on the date of award or of final agreement on price, as shown on the subcontractor's signed Certificate of Current Cost or Pricing Data, whichever is earlier.